

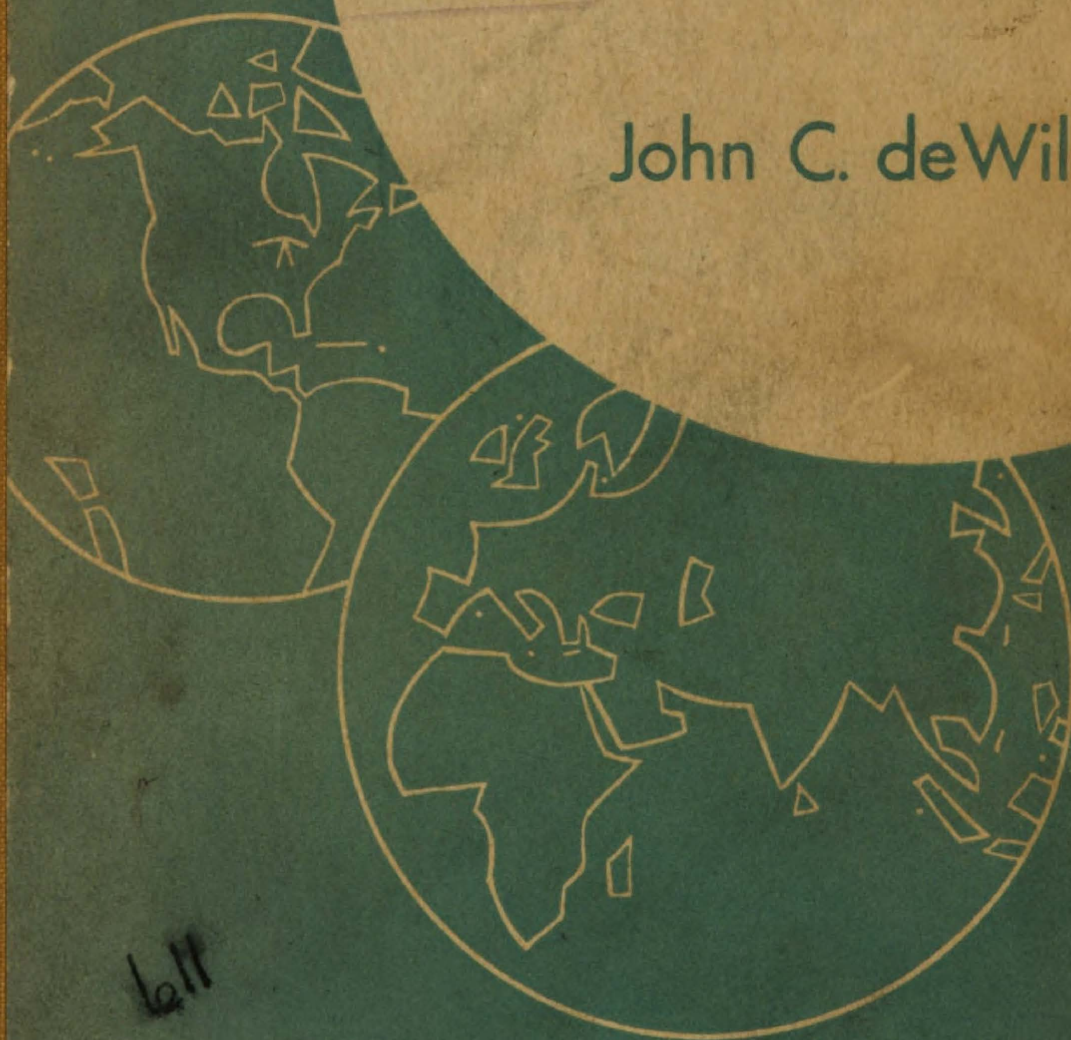
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BUILDING the THIRD REICH

John C. deWilde



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WORLD AFFAIRS PAMPHLETS

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JUNE 1939

BUILDING the THIRD REICH

BY

John C. de Wilde

FOREIGN POLICY ASSOCIATION
INCORPORATED *in cooperation with*
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Mr. deWilde spent eight months in Germany in 1938. The views expressed in this pamphlet are those of the author, and do not necessarily reflect the opinions of the Foreign Policy Association or the organizations represented in the National Peace Conference.

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Building *the* Third Reich

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JOHN C. DEWILDE

In the six years that have elapsed since the advent of Adolf Hitler, the world's estimate of this former corporal and of the system he created has undergone drastic revision. When the aged President Hindenburg summoned Hitler to head the German government on January 30, 1933, few observers, either at home or abroad, were willing to predict for him a long tenure of power. The Nazi leader was generally regarded as no more than a clever, if rather dangerous, demagogue who could never develop into a practical statesman and politician. His program was regarded as a fantastic and confused jumble of economic and political shibboleths which could hardly be translated into reality in this modern world. Almost every one underrated his profound insight into popular psychology, his understanding of political strategy, his indomitable will power and ruthlessness. In the Reich itself the conservative and reactionary elements who had helped Hitler to power expected to keep him a "prisoner," to use him simply as a tool to re-establish their former dominance. Outside Germany many "experts" were ready to prophesy that economic and political difficulties, both domestic and foreign, would soon encompass the downfall of the new Chancellor.

Despite Hitler's repeated successes, opinion of him was slow to change. Even today prophets of Germany's economic or financial collapse are occasionally heard; and many opponents of the Nazi régime comfort themselves with the thought that rising discontent in the Reich will put an early end to the German Führer. Yet no one now refuses to take Hitler seriously. Throughout the whole world people anxiously scan their newspapers for the latest news from Berlin. In a few years Hitler has lifted Germany from the rank of a second-rate power to a position of hegemony on the European continent. By a series of dramatic moves, shrewdly calculated and timed so as to avoid war, he has pushed the boun-

daries of the Reich far beyond the confines of pre-war Imperial Germany. His dynamic tactics have produced in Europe, and even in America, a state of nervous tension which finds few parallels in history. The destruction of democratic, parliamentary government and the firm establishment of Nazi rule at home have enabled Hitler to strike with amazing rapidity abroad. Today hardly any of the men who hoped to "exploit" the Nazi leader for their own purposes retain positions of influence and power in Germany. The Hugenburgs, the Schachts, the von Papens have either disappeared from the political scene or, in turn, are utilized simply as Nazi agents. The economic life of the nation has been strictly subordinated to the domestic and foreign objectives of the state. Any form of organized opposition can scarcely make headway in face of the omnipresent, totalitarian controls of party and state.

At no time since the French Revolution and the days of Napoleon have one man and one system offered such a challenge to the rest of the world. Just as the French Revolution sought to spread the doctrine of "liberty, equality and fraternity" and undermine the existing "legitimate" governments of Europe, so the dynamic Nazi revolution shakes the foundations of older and more static systems, both democracies and old-fashioned dictatorships. For the Nazis have accomplished a revolution affecting all aspects of life. Their system—the antithesis of Western liberalism founded on the French and American revolutions—has fundamentally transformed the relationship of the individual to the community and state. It has set up a new form of authoritarian, totalitarian government. Its conceptions of race, culture and religion represent sharp departures from long-accepted beliefs and ideals. Even the remarkably coherent, if unorthodox, system of controlled economy it has improvised challenges the tenets and practices of liberal, capitalistic régimes. The Nazis claim for themselves a new *Weltanschauung* which might be translated roughly as a new "conception of things" or "way of life." Whether or not one believes Hitler's repeated disclaimer that this *Weltanschauung* is an article for export, the fact remains that its influence grows with every Nazi success. Its protagonists proclaim its validity for the entire German people; and Germans in other countries tend, if only in reaction to foreign criticism, to become the missionaries of the new faith. Similarly inspired movements abroad enlist the sympathy, if not the open support, of the German Reich. The expansionist tendency inherent

in Nazism makes it all the more imperative to examine and understand its ideas and accomplishments.

APPEARANCE AND REALITY

A visitor who goes to Germany without definite preconceptions or bias will not find it easy to obtain a clear picture of Hitler's Third Reich. The façade of the régime is impressive. People on the whole seem well-fed and well-clothed. They do not look especially harried or oppressed. There is even an air of prosperity. Cafés and places of entertainment are crowded; trains and hotels are filled with travellers. The food in restaurants seems as plentiful and varied as it has always been. Everybody appears to be working. Beggars have vanished from the streets, gigolos from the night clubs. No longer do hundreds of idle men congregate about every employment office. An atmosphere of "hustle and bustle" characterizes the country. Factories are humming with activity. New buildings are going up everywhere; new highways are being constructed. The tempo has definitely quickened. The energy of the régime is impressive, and at the same time rather terrifying.

There is, too, an outward appearance of unity. The countless uniforms seen on the streets and in public places help to create this impression. Almost every other German has a uniform of some kind. Everywhere one meets marching columns of Hitler Youth or Storm Troops, singing lustily and with apparent relish. Flags and bunting are well-nigh universal. Whenever the Führer shows himself, cheering crowds line the streets. Nazi rallies attract a large and enthusiastic attendance, and "Heil Hitler" has become the customary greeting.

Only after some time can the uninitiated visitor penetrate this façade. Living with a German family, he will find it necessary to take out a "fat card" in order to insure a rather scanty ration of butter, lard and bacon. The housewife often sighs or complains bitterly about her inability to obtain eggs. Marketing for her has become a problem. A good variety of vegetables is hard to get, and fresh fruit may be unavailable or beyond her means. Ample clothing can be had, but at rather high prices; and if she wants to replace bed linen or bath towels, she may have to wait some time before her order can be filled. Although jobs are plentiful, wages are in many cases still very low; so numerous families struggle to make ends meet.

After talking to countless Germans from all classes, the observer discovers that the régime rests for the most part on negative acceptance, rather than positive enthusiasm. There is a steady and unrelenting pressure toward conformity, to which even the foreigner is often impelled to yield. Compulsion plays an important rôle, but only a minority directly experience the heavy hand of oppression. The bulk of the population is not even aware where personal volition stops and compulsion sets in. Most people have, at any rate, ceased to think in terms of alternatives to the present régime. Even the intellectuals, chafing under the restrictions on freedom of thought and expression, are not clear as to what they want. The average German is still more confused. Frequently he does not know what to think, for he is bewildered by much that goes on about him. Things he finds unpalatable he is inclined to justify vaguely by the abnormality of the times. Unless the German belongs to a minority of ardent Nazis, he is apt to grumble about many aspects of the régime. He may fret under constant interference by the state in his personal life, and wonder why he cannot be left alone once in a while. The arbitrariness and petty tyranny of many of the lesser Nazi leaders with whom he comes into contact arouse his resentment. He may complain that the government will not permit him to earn more or change his job, and will often ask plaintively why the Hitler Youth, the Winter Relief Fund, the Nazi Welfare League and many other organizations should make such constant demands for contributions from his slender earnings.

Yet, by and large, the German people do not question the fundamentals of the new order. Most of them do their daily tasks without thinking very deeply, if at all, about principles of government. Even determined opponents find it difficult to maintain a negative attitude indefinitely. The state does its best to discourage independent thinking. It keeps people hard at work and even organizes their leisure. Like the Roman Empire of ancient times, it gives the masses bread and circuses. And its propaganda has gone far toward convincing people of the necessity of the régime. After all, say the Germans, do not the relative poverty and overpopulation of the country justify strict, comprehensive organization and disciplined national unity, even if imposed from above? Has not the world always denied the fatherland its rightful place in the sun and taken advantage of its weakness and disunity? These are the rhetorical questions which reconcile many Germans to Nazism.

Any one with a pretense to individuality will soon find himself overwhelmed by the Nazi order. Uniformity and conformity are the watchwords of the régime. Diversity is regarded as almost the equivalent of dissension. The major emphasis is on the mass rather than the individual, on quantity rather than quality. The individual has become more and more an automaton, responding to orders and mass stimuli. In essence this whole system is a sharp reaction against everything that has gone before.

PAST AND PRESENT

For centuries Germany was a geographical expression rather than a real state. The Holy Roman Empire of medieval and early modern times was but a loose aggregation of feudal principalities and kingdoms. It was far from being exclusively German in character, and its Emperors dissipated their energy in foreign and purely dynastic ventures. For a long time Germany was the battleground of Europe. The religious wars were primarily fought out on its soil. No power was willing to see a united nation arise in the heart of Europe. The Holy Roman Empire, the first German Reich, gradually disintegrated until Napoleon finally ended its tenuous existence. At the same time, the French Revolution and the Napoleonic invasions awakened the national consciousness of the German people. During the first few decades of the nineteenth century it seemed as if the Germans would become united under the aegis of a new, liberal movement. But the liberal revolution petered out in 1848. Dissension in the ranks of its own advocates, and the opposition of reactionary, particularistic German states proved its undoing. Germany was finally unified in 1871, but under the leadership of conservative Prussia and only through the policy of "blood and iron" ruthlessly pursued by Bismarck. Two wars had to be fought to overcome the opposition of Austria and France to political unification. That lesson was never forgotten.

Once unified, the second Reich experienced a rapid and dizzy rise to success. Within a few years it became the leading military power of the continent. The industrial revolution swept through the country and soon enabled it to challenge the industrial and commercial supremacy of Britain. No doubt this rapid development to some extent unbalanced the German people and helped to bring on the World War. Then, after a brave and prolonged struggle, came

defeat and the drastic Treaty of Versailles. Germany was plunged from its pinnacle, humiliated and degraded to the rank of a second-class power.

In the eyes of the Nazis the Weimar Republic which arose on the ruins of the second Empire never justified its claim to be called a Reich. From the very first many elements rejected it as an alien importation, while others passively accepted it. Perhaps the Republic was too largely a compromise to arouse much positive enthusiasm. It lacked the cohesive force provided by great leaders capable of capturing the popular imagination. Despite its many accomplishments and its progressive social legislation, the Weimar Republic was handicapped by growing internal dissension and disunity. The very collapse of the old Empire tended to loosen discipline and accentuate German tendencies toward particularism which had only recently been overcome. The host of political parties and organizations which sprang up during the post-war period were often too occupied in seeking to advance the interests of a particular economic group, class or confession to think of cooperating for the good of the country as a whole or the preservation of the Republic. Class antagonisms developed, particularly as the economic crisis affected the country. Although the workers were too dispirited to revolt, they were filled with sullen hatred against the possessing classes. In this atmosphere many capitalists adopted a purely negative attitude toward their workers, who soon assumed that collaboration with employers was bound to be fruitless. No less marked than the conflict between capital and labor was the antagonism between manual laborers and the lower bourgeoisie, who dreaded the prospect of being driven into the ranks of the proletariat. After 1930 the forces supporting the Republic were so involved in internecine quarrels that the government could rule only by emergency decrees. The Republic no longer seemed to hold out any hope; its leaders had no popular appeal. The masses were equally disillusioned by the unrealized promises of the Left and the practical operation of parliamentary, capitalist democracy. The German people were in the mood to welcome a movement led by a magnetic leader who appealed for national unity and strengthened national self-confidence.

The external weakness of the Republic did more than anything else to bring it into disrepute. Germany was largely dependent on the good will of the major powers. Even the ephemeral prosperity of the twenties was based on the flimsy, shifting foundation of

foreign capital. The heavy mortgage of Versailles handicapped the Republic. Instead of lessening Germany's burden, the former Allies used their superior armed strength to maintain the *status quo*. As long as Germany itself was weak and relatively disarmed, they were under no immediate compulsion to make concessions. They could always point to the activity of a chauvinistic minority in the Reich in justification of their refusal to yield. Some small concessions were granted—admission of Germany to the League, reduction of reparation, and premature evacuation of the Rhineland—but the only major concession, involving practical cancellation of reparation, did not come until 1932 when the von Papen government flatly refused to continue payments. And when Germany took a positive step in arranging for a customs union with Austria in 1931, the European powers intervened and thwarted this move with overwhelming force. Under these circumstances the German people became more and more receptive to Hitler's gospel of power and national self-reliance. If German grievances were really to be satisfied, was it not necessary to unite in face of the outside world? Was it not imperative to restore the country's armed strength and rely exclusively on the ruthless use of force? To many Germans the answer was self-evident.

NAZI IDEOLOGY

Against this background it becomes easier to understand the ideas underlying the Third Reich which the Nazis have erected on the ruins of the Republic. This Reich, for which Hitler has forecast a duration of a thousand years, rests on three pillars—the *Volks* or nation, the Nazi party or movement, and the state. Not all of these are equal in importance. In the Nazi trinity the *Volks* occupies, at least in theory, the pre-eminent place. It is the source of all authority, the pretended object of every measure and policy. The party represents the sole political instrumentality of the *Volks*, ostensibly the embodiment of its will. And the state, under the leadership and inspiration of the party, constitutes the political organization of the *Volks*, the agent promoting its interests and welfare. Hitler himself furnishes the bond which holds the three together. He is the leader of people and party and, at the same time, President and Chancellor of the German state.

Hitler is also the visible expression of another Nazi tenet which

underlies the organization of the Third Reich—the principle of leadership. Democracy and parliamentary government are considered destructive of true leadership. They fail, in the opinion of the Nazis, to recognize the natural inequality of man, and prevent the rise of those who, through sheer ability and strength of character, are entitled to rule. According to Nazi theory, history was “formed” not by materialist factors or by “mathematical majorities,” but by great personalities or leaders like Caesar, Frederick the Great and Bismarck. Similarly, the rise of modern capitalism is interpreted primarily in terms of true entrepreneurs or industrial leaders like Ford, Rockefeller, Krupp and Siemens. In accordance with their ideas, the Nazis have applied the leadership principle everywhere with German thoroughness. Extended to the state, it resulted in the elevation of Hitler to a position of omnipotence, the abdication of all legislative functions by the Reichstag and the replacement of elected provincial governments by appointed governors responsible only to the head of the nation. The same principle was introduced in the various organizations founded for the control of labor, agriculture, industry and culture. In business concerns the entrepreneur or director was designated as “plant leader,” solely responsible for the treatment of his employees and the propagation of the Nazi spirit in his enterprise. Even corporation law has been revised to reinforce the leadership of the management as against the stockholders.

To the outsider this leadership principle, with its implicit requirement of blind, unquestioning obedience, appears destructive of that very responsibility which it is supposed to foster. It has created thousands of “little Hitlers” whose conduct is often highly arbitrary and against whom redress is frequently impossible. The responsibility of every “leader” is not toward those below him, but solely to his superior in the hierarchy. Ability to court favor with those in higher ranks is often more effective in obtaining positions than qualities of real leadership. Whenever the enforcement of responsibility is very strict or arbitrary, subordinates tend to avoid initiative and “pass the buck.” The supreme Führer himself is really responsible to no one but his conscience and sense of duty. The Nazis, however, care little about the many weaknesses of the leadership principle and its obvious abuses in practice. They see in it only an instrument which makes it possible for the Reich government to act rapidly and efficiently in both domestic and foreign affairs.

DEIFICATION OF RACE: OSTRACISM OF THE JEWS

The word *Volck* has for the Nazis, as well as for all German nationalists, a peculiar sacredness. It has no exact equivalent in the English language, for "nation" is now used interchangeably with state or country, and the word "people" is too amorphous and indefinite to convey the exact meaning. In essence *Volck* is a community of people with a consciousness of kind, united by common cultural, historical, and racial bonds. Such a community may and does extend beyond the boundaries of the state, just as it may exclude alien "folk" elements within the state. According to the Nazi *Weltanschauung*, the ties which bind the individual to the *Volck* are stronger than all other bonds, and the allegiance he owes it must override all other loyalties to family, class, religious or professional organizations. In fact, there is no community higher and more sacred than that of the *Volck*. The Nazis are contemptuous of any form of internationalism or supernationalism. Membership in humanity at large has no reality for them; and supernational, humanitarian ideals have no validity. The individual exists only as part of the national community; without it he is nothing. His culture, his racial heritage, and his outlook on life he derives exclusively from "communion" with the *Volck*. The individual should merge his identity with that of the national community. The Nazis have expressed it in the slogan: "The common interest before individual self-interest," without, however, defining their conception of the "common interest."

PROMOTING THE IDEAL OF "VOLKSGEMEINSCHAFT"

To realize this aim the Nazis have called on all Germans to create a real *Volks-gemeinschaft*—a community guided by a new spirit of cooperation and team play. This appeal unquestionably struck a responsive chord in the hearts of many Germans, particularly of the younger generation. Those who doubted the sincerity of Nazi professions were compelled to submit. To the Nazis national unity, enforced or voluntary, was essential to the solution of the country's grave economic and social problems and, above all, to the formation of a united, disciplined front against the outside world which would enable Germany to throw off the shackles of the hated Versailles Treaty and obtain its rightful place in the sun.

The ruthless suppression of all opposition and the imposition of a centralized authoritarian state were the first and foremost steps in the direction of national unity.

More positive measures were also adopted to inculcate the idea of *Volksgemeinschaft*. The labor unions and employers' associations were dissolved, and in their place the Nazis set up the Labor Front, comprising both employers and employees, to preach and promote collaboration of classes in the national interest. The labor laws were revised to create in each business enterprise a "plant community" (*Betriebsgemeinschaft*) led by the entrepreneur or director. The employer was enjoined to mingle with, and take a more personal interest in the welfare of his workers. Soon after coming to power the Nazi régime introduced compulsory labor service for all young men and women. The men were enlisted in labor camps for six months and put to work on land reclamation, reforestation, road-building and the like. The task of the women, for whom the service has not yet become completely compulsory in practice, was to help struggling farmers both in the kitchen and on the land. In 1938 the government also introduced the requirement that all young women who wanted jobs had first to serve one year in a household with children or on a farm. The chief aim of the labor service, aside from the performance of useful tasks, has been to teach the meaning and value of physical labor to members of all classes and to bring together, in an effort at mutual understanding, people with widely varying backgrounds and training. The Nazis also regarded the army as a school in *Volksgemeinschaft*. They made attempts, which were partially successful, to break up the old caste system in the army and bring about more comradely relations between officers and men. The various formations of the party—the Hitler Youth, the Storm Troops, the Elite Guard and the ex-soldiers' league—were all designed in part to stress common ties with the German *Volk*, and common membership in the *Volksgemeinschaft* to the exclusion of classes and confessions. The very hostility of the Nazis to confessional schools and organizations was partially founded on the contention that these institutions kept Germans apart.

This education in the ideal of *Volksgemeinschaft* was not wholly ineffective. A greater amount of understanding among various classes apparently did develop. Many people also demonstrated their readiness to sacrifice or at least subordinate their selfish interests to the common welfare. Yet in time the Nazi system undermined the

very ideal it was supposed to promote. Frequently Nazi leaders who were obviously seeking only self-aggrandizement and living in luxury prated most loudly about *Volksgemeinschaft* and the need for unselfishness. The contradiction was apparent to many and created no little cynicism, even among the younger people. The arbitrary and arrogant conduct of some Nazis produced disillusionment. Denunciation of ostensible opponents or "traitors" also became a popular method of seeking favors or advancement, even though some of the more idealistic Nazis strove hard to discourage it. Perhaps more than anything else, however, the exclusion of almost all Germans from influence on the decisions of the government tended to destroy the sense of positive participation in the *Volksgemeinschaft*.

THE PHILOSOPHY OF "BLOOD AND SOIL"

The nationalism of the Nazis differs from other types known to history because of its definitely racial character. It does not base membership in the *Volk* or nation on the subjective feeling or consciousness of the individual. A Jewish family may have lived in Germany for generations, and its members may have fought and bled for the Reich with the feeling it was their fatherland; yet the Nazis deny them the right to call themselves Germans. The racial nationalism of the Nazis is expressed in the typically German phrase *Blut und Boden*—"blood and soil." The word "blood" symbolizes their predilection for the ancient Germanic race whose virtues, racial purity and cultural level they extol; the "soil" represents their mystical reverence for the German homeland and the peasants who, above all, replenish the German race and embody its best qualities. Race is to them the chief determining factor in the development of a people. The authors of *The Nazi Primer*, a handbook used in the education of the Hitler Youth, express it in this way: "The racial structure of peoples . . . determines the form their community life takes. Art and science, economy and culture are developed according to their racial character. Even the kind of political leadership and the form of the state are conditioned by the character of the race. The historical accomplishments as well as the present life of a people are primarily determined by blood." It follows that there is even a racially conditioned science, and that Jews or other alien racial elements can never presume to make any contribution to German culture or life.

The Nazis frankly admit there is no pure German race. According to their leading racial theorist, Dr. Hans F. K. Günther, the racial composition of the Germans is 50 per cent Nordic, 20 per cent Eastern, 15 per cent Dinaric, 8 per cent East Baltic, 5 per cent Phalic and 1 per cent Western. At one time the Germanic race was almost purely Nordic, but gradually it became "debased" through the admixture of other stocks. All the constituent races have different physical and spiritual qualities. The Nordic stock, according to the Nazis, is easily the best. It is not only the handsomest physically, but its noble, heroic character, its creative ability, and its quality of leadership make it pre-eminent. As Greeks and Romans, the Nordic race created the highly developed cultures of antiquity. Whether a man is Nordic in spirit is not exclusively determined by his appearance. Invoking the Mendelian laws of heredity, the Nazis claim that in any crossing of races the many characteristics of body, mind and soul are transmitted independently of one another. Thus a Nordic mind and soul may very well belong to a man having the physical characteristics of another race. The application of this principle to such Nazi leaders as Hitler and Goebbels is obvious.

PRESERVING GERMANY'S RACIAL HERITAGE

In accordance with this ideology, one of the chief tasks of the state is to preserve and improve the racial heritage of the German people. Above all, the German *Volks* must not be allowed to die out as a result of the continuous catastrophic decline in the birth-rate which is evident in all Western civilized countries. With alarm the Nazis point out that in 1933 only 957,000 children were born in Germany, as against 2,032,000 in 1901. The continued increase in the German population is a deceptive phenomenon due solely to the drop in the death rate. More important is the change in the age composition of the German people, which has brought about a steady decline in the number of Germans in the reproductive age groups. In 1932 and 1933, German experts claim, the birth-rate was actually 30 and 31 per cent below the level necessary to maintain the present population. The Nazis have therefore proclaimed child-bearing the most sacred duty of every healthy German woman and have taken many steps to encourage it. Even illegitimate children have been welcomed. Since June 1933 the state has granted marriage loans to racially healthy German couples and stipulated that

a quarter of each loan was to be cancelled with the birth of every child. The tax laws have been repeatedly revised to place greater burdens on bachelors and childless married couples, and to lighten taxation for those with many children. Business concerns have been encouraged to pay additional compensation to employees with children. Since late 1935 the government has granted non-recurring and current subsidies to large families with modest incomes. These measures have been at least partially instrumental in reducing the birth "deficit" to 5.5 per cent in 1938.

Even greater stress has been placed on the improvement of race. Eugenics or race hygiene has been raised to the rank of a national fetish. Physical fitness and participation of almost every one in some form of sport has become a duty to the nation. Physical training has been fostered at the expense of educating the mind. Sound soldiers appear to be more desirable than great thinkers. The Elite Guard, or SS, is a carefully picked body of splendid physical specimens which serves as a visual reminder of the superior racial qualities of the Germans. Its members and their brides must meet special racial qualifications in order to guarantee the purity of their offspring. The state can sterilize persons found to be suffering from a hereditary disease, chronic alcoholism or any serious inherited physical defects, and forbid marriages for reasons of health. Little is known about the practical operation of these measures, which reflect to some degree increased governmental preoccupation in all countries with eugenics and marriage. Obviously their application is open to abuse, but whether or not abuses have actually occurred is disputed. In 1938 a leading German health official claimed that sterilization had prevented the birth of about 20,000 mental defectives and that the government had forbidden from 40,000 to 50,000 marriages a year out of a total of 600,000.

For the Nazis the most important task is to safeguard the German people against the "contamination" of alien races. The mixing of related races, in which are included all Indo-Germanic racial stocks, is not sufficiently harmful to require prohibition. But marriage of a German with some one of alien, Oriental race, particularly a Jew, is regarded a crime against the nation. Such a mixture, the Nazis hold, could only produce a terrible conflict in the offspring. The so-called Nürnberg laws, enacted in September 1935, forbid marriages between persons who are wholly or 50 per cent Jewish, and those of German or related blood. Those one-quarter Jewish are

permitted to marry only Germans by race, so that their blood may be "purified." Extramarital intercourse between Jews and Germans is also forbidden on pain of imprisonment and, to reinforce prohibition, Jews are not allowed to employ German maids and housekeepers less than 45 years of age.

THE CAUSES OF NAZI ANTI-SEMITISM

These measures are but a mild reflection of the virulent anti-Semitism promoted by the Nazi party and state with all the means at their command. To explain this hatred and persecution of the Jews is no easy task. In any time of extreme nationalism, of political and economic discontent, certain elements of the population always tend to find scapegoats for the nation's ills. In Germany the Jews, the Weimar Republic and the Treaty of Versailles were singled out for this rôle. The Jews were held responsible both for the German defeat and the hated Weimar Republic. The very fact that many Jews did not subscribe to the extreme Pan-German propaganda during the war, and counselled yielding when Germany's situation appeared hopeless, seemed to lend support to the accusation. The Jews were roundly denounced both as capitalistic exploiters and disruptive socialists; and their mere presence both in the ranks of capitalist bankers and socialist leaders was held to be convincing proof of their diabolical conspiracy to obtain world domination. As a matter of fact, there was from the outset a fundamental incompatibility between the ideas of the Jews and the extreme, nationalistic, anti-liberal ideology of the Nazis. Many Jews sympathized with the ideas or movements which the Nazis detested. The Jew, being on the whole more rational and cosmopolitan in outlook, had no sympathy for any sort of rabid, mystical nationalism. Since the liberal era following the French Revolution emancipated him from many burdensome restrictions, he was naturally sympathetic toward liberalism. He was loyal, also, to the Weimar Republic which abolished the last of these restrictions, and in particular opened to him posts in the German bureaucracy. Having been oppressed and discriminated against for centuries, many Jews tended to favor radical movements such as socialism or communism as a means of emancipating other victims of oppression. The fact that the two leading founders of German Socialism, Karl Marx and Ferdinand Lassalle, were Jews, and that Jews continued to

play a rôle, although not a dominant one, in socialist and communist movements, furnished weapons for the Nazi attack.

As the depression deepened, competition of Jews with Germans also became an increasingly important factor. Had the Jews been evenly distributed over all industries, professions and occupations, this competition would probably not have been so noticeable. As the result of natural aptitudes or historical disabilities, however, the Jews were, above all, concentrated in certain professions, such as medicine and law, certain industries such as textiles and clothing, in all branches of trade, and in banking. In each of these occupations they were represented in proportions higher than their percentage in the population. Their relatively smaller representation in agriculture, labor and the crafts, although primarily attributable to earlier discriminations against them, exposed the Jews to Nazi taunts that they never worked with their own hands, but always exploited the labor of others. The same factor helped, too, in making them the object of a confused sort of anti-capitalism, directed primarily against "exploiting" middle men and traders, and "usurious" bankers. The tendency of the Jews to congregate in the bigger cities—in part a result of their former confinement to ghettos—also made them the butt of the ever-present hostility of the "country" toward the "city."

In assailing the Jews the Nazis ignored or denied their many contributions to German culture and life. They failed to point out that many Jews had given their lives in the war for the fatherland, or that two Jews—Fritz Haber as the inventor of a process for the manufacture of synthetic nitrates, and Walther Rathenau as the coordinator of raw material supplies—had helped Germany immeasurably in holding out against its enemies during the war. They sneered at the scientific accomplishments of Albert Einstein, to mention but one name. They suddenly discovered for the German people that the music of Mendelssohn, Meyerbeer, Mahler and Schönberg was unfit for German ears, and that such recognized concert artists as Kreisler, Huberman, Heifetz, Zimbalist and Menuhin were incompetent to interpret German music. And they repudiated such men as Heine, Wassermann, and the Zweigs as representatives of German literature or even of any kind of worthwhile literature.

REMOVAL OF JEWS FROM PUBLIC LIFE AND PROFESSIONS

Nazi ideology and the need for jobs both dictated the exclusion of Jews from public life. In 1933 all persons of Jewish blood, as well as Aryans who had married Jews, were dismissed or retired from public office. Certain exceptions, allowed at first, were abrogated at the end of 1935. These stipulations affected not only the public service proper, but also the personnel of the universities which in Germany are state institutions. Not content with removing non-Aryans from public office, the Nürnberg laws of September 1935 deprived Jews of citizenship and degraded them to the rank of Reich subjects. Even the right to fly the German flag was denied them. To mark the Jews as a race apart from the Germans the government revoked all changes in family names, and in 1938 required all non-Aryan parents to give only specifically Jewish names to their new-born children. Jews whose names had an Aryan flavor were compelled at the beginning of 1939 to add either "Israel" or "Sarah" as a distinguishing mark.

Step by step the Jews have been eliminated from the liberal professions. At first Jewish physicians were simply excluded from health insurance practice, and the licensing of additional Jewish doctors was prohibited until the distant day when their proportion in the profession should fall below their percentage in the population. In 1938, however, all those who had the misfortune to have more than two Jewish grandparents were deprived of the right to practice, effective August 31. Beginning in 1933 admission to the legal profession was also restricted; Jewish lawyers were gradually forced out, and those still remaining in 1938 definitely eliminated on November 30. Similar disabilities were inflicted on Jews in other professions. The exclusion of Jews from the press and cultural occupations was largely accomplished through the medium of the Reich Chamber of Culture to which all persons active in newspaper work, in music and the arts, and in the theater and cinema are required to belong. To provide an additional guarantee that Jews would no longer exercise a "nefarious" influence on German cultural life, the admission of Jewish students to secondary and higher schools was restricted in 1933, and almost all Jews eliminated from public schools in 1938.

ECONOMIC DESTRUCTION OF THE JEWS

For a long time it appeared as if the Jews in commerce, industry and banking might be left relatively undisturbed. Despite the boycott of Jewish shops launched by the Nazis on April 1, 1933, Dr. Schacht, who soon became acting Minister of Economics, discouraged large-scale interference with Jewish business because of its disturbing effects on the domestic economy. Many Jewish enterprises continued to do comparatively good business, particularly in the larger cities where frugal German housewives could patronize them with relative impunity.

The Nazi radicals, however, would not rest. They knew they could count on the support of the Führer, who had been bitterly anti-Semitic since his youth in Vienna. Their determination to make a clean sweep of the Jews was strengthened by the acquisition of Austria and its capital Vienna, where the Jews constituted a strongly entrenched community of 176,000. Under pressure from these radicals the tempo of the anti-Jewish crusade was rapidly accelerated during 1938. One vocation after another was closed to Jews. An ordinance of April 26, 1938, providing for a census of Jewish wealth, paved the way for eventual expropriation or liquidation of Jewish property. Early in November the assassination of a German Embassy attaché by a Polish Jew, who had apparently brooded over the sudden, inhumane expulsion of thousands of his racial compatriots from the Reich, afforded the Nazis a welcome pretext for action. Nazi rowdies, commandeered by party headquarters, staged a "spontaneous" demonstration in reprisal, smashing Jewish shops, setting fire to synagogues, and molesting individual Jews. The government sanctioned this destruction by requiring the Jews to pay for the damage. In addition, it threw thousands of defenseless non-Aryans into concentration camps and levied a fine of one billion marks on the entire Jewish community. A veritable flood of anti-Semitic measures followed. All Jewish shops were closed at the end of 1938, and only one-third declared suitable for Aryanization. The liquidation of remaining Jewish concerns in industry and banking was hastened.

Not content with depriving the Jews of virtually all means of livelihood, the Nazis subjected them to a humiliating social ostracism. Germans found it advisable to sever ties with all Jewish friends; mixed marriages were broken up. Parks, resorts, cafés,

theatres, restaurants and cinemas were gradually barred to non-Aryans with but few exceptions. Jews were even excluded from specified districts, squares and streets in Berlin, and are now no longer allowed to live under the same roof with Aryans.

The number of people affected by all these measures is hard to estimate. The official census lists only about 700,000 Jews in Germany and Austria, but this includes only those professing the Jewish religion. Using the racial criterion of the Nazis and including half-Jews, one arrives at a total approximately double that number. Cast out of the German community, most of these Jews had but one hope—to emigrate. The Nazis have been completely cynical about this problem, throwing responsibility for Jewish emigration entirely on the shoulders of other countries. They have permitted emigrants to take only an infinitesimal part of their property with them, claiming that their straitened foreign exchange supply does not allow the exportation of capital. In selling their property and business enterprises the Jews were compelled to suffer large losses, the state confiscating the difference between the sales price and the true value. They must pay the government a “flight tax” of 25 per cent of the appraised value of their property in 1931. The balance must be paid into emigrant mark accounts, which can only be sold abroad at less than 15 per cent of their nominal value. Late in 1938 the government finally consented to informal negotiations with the director of the Intergovernmental Committee for Aid to German Refugees, and subsequently agreed to facilitate emigration by allowing Jews to buy in Germany the equipment and capital goods necessary to set them up in business abroad. No practical measures, however, have been taken to carry out this promise; instead, the right of emigrants to take personal property out of the Reich has been even further restricted.

For a long time the majority of the German people viewed these anti-Semitic measures with comparative indifference. They were quite willing to see some restrictions applied to the Jews, but the violent and extreme action of November 1938 aroused widespread revulsion. Goebbels’ characterization of this action as a “spontaneous” demonstration of popular anger was treated with incredulity and no little resentment. Many Germans openly expressed their abhorrence on purely humanitarian grounds; others saw in the destruction of Jewish property a grave portent of “bolshevism.” Still others, however, deliberately averted their heads and refused to

show concern. Their attitude was perhaps most significant, for it clearly demonstrated how repeated injustice can dull a people's sense of moral values.

THE NAZI PARTY: ITS ORGANIZATION AND MISSION

Perhaps the most important pillar of the Third Reich is the Nazi party, which bears the official name "National Socialist German Workers' Party," abbreviated in German to NSDAP. In theory at least the party, or "movement" as the Nazis prefer to call it, is superior to the state. It has assumed the sole political leadership of the German people. It determines the form of the state and the content and direction of the government's policies.

Adolf Hitler, as leader of the party, determines its constitution and wields absolute power. In practice the administration of party affairs is entrusted to the Deputy Leader, Rudolf Hess. The Cabinet of the party, its supreme organ, consists of the twenty-one members who head the chief offices and organizations of the NSDAP. Next to Hitler, Hermann Goering is unquestionably the most commanding and influential among party leaders. Able, forceful and unscrupulous, he enjoys the power and popularity which would enable him to assert his claim to leadership should Hitler die or fall victim to an assassin. All other leaders rank well below him. Rudolf Hess, as the chief dispenser of party patronage, wields considerable influence, but lacks a colorful, dominant personality. Heinrich Himmler, who heads both the police and the Elite Guard, is a powerful figure, but remains in the background. Joseph Goebbels, the party's clever propagandist, has greatly declined in popularity and influence during recent years. Alfred Rosenberg, the Nazi philosopher, is not really a member of the inner council despite the fact that he is the party's preceptor in questions of *Weltanschauung* and the chief editor of the leading National Socialist daily, the *Völkischer Beobachter*. Other figures in the party are relatively minor lights: Dr. Ley, chief of the organization office of the NSDAP and head of the Labor Front; Dr. Frick, primarily an administrator and bureaucrat; von Schirach, national youth leader; Lutze, chief of staff of the SA; Dr. Darré, Reich peasant leader and leading exponent of *Blut und Boden* theories; Dr. Frank, head of the party's legal office; and Dr. Funk, the Minister of Economics.

Although the NSDAP is coordinate with, if not superior to, the state, there is in practice almost complete fusion between the two. Aside from Hitler, the chief link between party and state is provided by Rudolf Hess, who sits in the Reich Cabinet and heads a special liaison staff which is consulted on all legislation and all the more important appointments to insure that they are in conformity with National Socialist principles. Local party officials perform the same function for municipal government. The chiefs of various party offices in several cases head corresponding ministries in the Reich government. Nazi district leaders are nearly always appointed governors of the constituent states of the Reich or provincial presidents in Prussia. Thousands of party members have been given government jobs. Himmler, leader of the SS, also heads the state police, including the dreaded *Gestapo*.

Since the party constitutes the "political shock troops" of the nation, its membership has been restricted to those most reliable and willing to work for the cause. At the time Hitler became Chancellor, it totaled only 849,000; by 1935 the number had risen to 2,493,890, and today it is probably in the neighborhood of 4,500,000. Membership is not confined to the Reich. Wilhelm Bohle directs from the Foreign Office a special division in the party for Reich citizens abroad, who are expected to be active as protagonists of the Nazi *Weltanschauung*. New members of the party are now recruited almost exclusively from the ranks of the Hitler Youth.

By virtue of its comprehensive organization, the NSDAP is the most effective instrument for the control of the German people. Its constituent formations, including the Elite Guard (SS), the Storm Troops (SA), the Hitler Youth, and the Motor and Flying Corps, as well as its many affiliated professional organizations, extend into every German home. Through the Nazi Welfare League the party has even acquired a practical monopoly of charity work. Perhaps the most important cogs in the party machinery are the Nazi block leaders. It is their task to watch every German, discover his political convictions, observe his activities, and ascertain what contributions he makes to the Nazi cause.

PROPAGATING THE FAITH

While all divisions of the party are active in National Socialist propaganda, its most important educational organ is the Hitler Youth. A law enacted in December 1936 made it a state as well as

a party institution. Until recently membership in it was voluntary, although pressure was brought to bear on many parents who did not allow their children to join. Because it was possible to recruit only about 70 per cent of the German youth on this semi-voluntary basis, compulsory membership was decreed on April 5, 1939. The Hitler Youth comprises boys from 10 to 18 years of age, and girls from 10 to 21. Boys and girls above 14 are included respectively in the Hitler Youth proper and the League for German Girls; for the younger ones separate units exist.

These youth organizations are much more than a glorified boy or girl scout movement. Physical training and discipline are their primary aims. The girls are trained in sport and the "feminine graces," with the idea of preparing them for their rôle as healthy wives and mothers. The boys are physically hardened and taught the soldierly virtues. They engage in marching and all forms of sport, and as they grow older their training takes on more and more a pre-military character. Education in the National Socialist *Weltanschauung*, with its emphasis on race, *Volksgemeinschaft*, unquestioning obedience and the necessity of extending the "living space" of the German people, plays a highly important rôle. Under the leadership of von Schirach, hostility toward organized religion and confessional organizations is also inculcated in German youth.

Many boys undoubtedly enjoy membership in the Hitler Youth. They like their uniforms and love to "play soldier." But often the free and easy comradeship of informal boys' groups is completely lacking. In the Hitler Youth, as elsewhere, the leader is not chosen by the young people themselves, but imposed from the top. Some of the leaders are of high calibre, but others make themselves unpopular by their inclination to display their authority.

The effects of the Hitler Youth are mixed. The bulk of young people are probably brought up to accept the Nazi doctrines unquestioningly. The constant stress on "toughness" and "hardness" often makes boys contemptuous of ethical values. In many cases their training in the Hitler Youth loosens family and church ties to the detriment of their moral development. While the majority appear to accept the ideal of *Volksgemeinschaft* at its face value, a minority is nauseated by the steady preaching of Nazi ideology and aware of the frequent contradictions between the profession and practice of ideals. Their reaction often takes the form, not of constructive criticism, but of an entirely negative cynicism.

TRAINING FOR LEADERSHIP

Aside from propagandizing National Socialism, the party has the function of selecting and educating the future leaders of the Third Reich. The importance of this task for a system which relies on the leadership principle has been recognized by the creation of special educational institutions—the Adolf Hitler schools and the *Ordensburgen*. The first of these, of which 32 were originally planned, correspond to secondary schools, and are ultimately to recruit each year 4,000 of the most qualified boys irrespective of class and social background. These boys, between the ages of 12 and 18, undergo intensive physical training and schooling. After having finished, they are placed on probation for a seven-year period during which they are expected to perform their labor and military service, learn some profession or occupation and be active simultaneously as minor leaders in the party and its formations. An “élite” of 1,000 men is then chosen for further training in the *Ordensburgen* for four years. There are four such *Ordensburgen* which bear the name of the castles of the former Teutonic Knights, the militant order responsible for the German *Drang nach Osten* in medieval times. Appropriately enough, the men who attend these *Ordensburgen* are called *Junkers* or Knights, presumably because they are expected to develop the forceful and aggressive leadership of their medieval counterparts. Here, too, as in most Nazi educational institutions, the primary emphasis is on physical training, on many types of military sport designed to bring out qualities of hardness, courage and a willingness to risk and sacrifice one’s personal safety and interests. Intellectual training is necessarily along narrow National Socialist lines. To outside observers it appears doubtful that such schooling can develop the independence of thought and action essential to real leadership.

UNDISPUTED SUPREMACY OF THE PARTY

By virtue of its organization and functions, the Nazi party has unquestionably established its supremacy in the Third Reich. For some time it seemed as if some form of dualism might develop, with the German army attaining a status equal to that of the party. There were many sources of conflict between the two. The army leaders, largely drawn from the conservative upper bourgeoisie and the landed aristocracy, tended to resent the Nazis as upstarts. They

deplored the "ruffianism" of the new movement and the way in which it rode roughshod over all opposition, violating many German traditions. They had little sympathy for Nazi attempts to break down caste distinctions and promote a spirit of "comradeship." Army officers came, too, from a class which had always considered itself a pillar of the Church, particularly of the Lutheran Church in Prussia; and they were inclined to uphold those pastors who were constantly resisting the subjection of Christian doctrines to Nazi ideology. Most important of all, the army command feared that Hitler's dynamic foreign policy might involve Germany in a war for which it was militarily and economically unprepared. Among these army leaders there was therefore a natural tendency to keep the *Reichswehr* independent of the party.

At first it appeared that the army might succeed in this endeavor. The "purge" of June 30, 1934, directed against Captain Roehm and his Nazi Storm Troops, seemed to have crushed once and for all the plans of party radicals to fuse the army with the SA and thus create a National Socialist defense force. Subsequently, however, Hitler proceeded step by step to resolve this conflict in favor of the party. The death of President von Hindenburg in August 1934, and the ensuing unification of the offices of Chancellor and President made the Führer also the supreme commander of the nation's armed forces. The introduction of universal military service in March 1935 turned the hitherto professional *Reichswehr* into a "people's army" and paved the way for its penetration by National Socialists. It was followed in July by the requirement of an oath of unconditional loyalty to the Führer. A thorough shake-up of the high command, precipitated by both party and army intrigues, demonstrated in February 1938 that military careers depended almost entirely on the good graces of the Führer and the party. A series of amazing successes in foreign policy also helped to discredit the judgment of army leaders and vindicate that of Hitler. Finally, in January 1939, the Storm Troops were restored to a position of prestige and entrusted with the pre-military education of German youth and the task of maintaining the military fitness of those who had already discharged their army service. True, most of these measures have established the supremacy of the Führer himself rather than that of the party; and Hitler may, on occasion, still use the army as a means of resisting exaggerated pretensions by members of his own movement.

Although the party managed to assert its position as the sole

political organization in the Third Reich, this was not tantamount to removing all internal dissension. From the very first the Nazi party, like all revolutionary movements, had recruited the most divergent elements. With the subsequent suppression of all other parties, the issues which had formerly divided these political organizations became to some extent the subject of strife within the NSDAP. Internal party conflicts came to a head in June 1934 when Hitler, assisted by Goering, struck out in a bloody purge against Nazi extremists like Strasser and Roehm, who were alleged to be plotting against him. At the same time he utilized this opportunity to rid himself of the embarrassing opposition of certain prominent conservative Nationalists and Catholics outside the party. Yet intra-party strife is still going on. It is not simply a conflict between radicals and conservatives, for those who are radical in one respect, such as in their attitude toward the Jews, may be quite conservative in others. Some undoubtedly are interested in social reforms; others care only about the aggrandizement of Germany and the Nazi party. Other differences center simply about tactics and the pace at which the program is to be carried out. Above all, most of the conflict consists purely of personal rivalry, of constant jockeying for positions of influence and favor with the Führer. Little definite information can be obtained about this persistent struggle behind the scenes, but some day it may prove to be the Nemesis of the Nazi movement, particularly when the conciliating and unifying hand of Hitler is no longer felt.

THE NAZI STATE: UNIFIED AND TOTALITARIAN

The state which the National Socialists have created to carry out the will of the party and nation is an authoritarian, centralized and totalitarian institution. The office of President and Chancellor, now united in the Führer, is omnipotent. The Reichstag is but a shadow of its former self. Elections are still held from time to time, but there is only one list of candidates—for which all but a few courageous dissenters find it expedient to cast an affirmative vote. The federal structure of the Weimar Republic has been swept away. Although the constituent states retain a diminished jurisdiction, they have become mere administrative subdivisions controlled by Nazi governors appointed in Berlin. Local self-government has been practically abolished. The single exception to this uniform tendency

toward centralization is the newly acquired protectorate of Bohemia-Moravia, which has been made an integral but autonomous part of the Reich. Even there the government is so subject to control from Berlin as to make it doubtful that it will ever be truly autonomous except perhaps in cultural questions.

Most important of all is the totalitarian character of the Nazi state. Its power to control, direct and regulate everything is unlimited. Before it the individual really has no "private existence." Dr. Ley once declared: "There are no longer any private people. All and every one are Adolf Hitler's soldiers, and a soldier is never a private person." Since a decree of February 28, 1933, all the guarantees of individual freedom incorporated in the Weimar constitution have been in abeyance. Law is no longer a means of protecting individuals against oppressive and arbitrary rule, but has become primarily an instrument to enhance the omnipotence of the state and those elements who control it. The law is not a set of principles and rules of universal validity, but must be an expression of the *Volks* and its peculiar characteristics. According to the Nazi conception, everything that is useful to the *Volks* is "law," and therefore "just." A court may even punish a man for an offense which has never formally been declared a crime, provided the judges consider the act harmful to the "national community." The courts and judges are themselves no longer independent of the Executive. Security of tenure for judges belongs to the past. Cases of high treason against the state and the *Volks* are decided in complete secrecy by a specially created *Volksgerichtshof*, or People's Court, from which no appeal can be taken. This court consists not only of professional judges, but of a panel of laymen including military, police and party officials. Moreover, the acts of the dreaded secret police are beyond scrutiny by any court. The police may at any moment take a person into custody and throw him into prison or concentration camp without obligation to bring him to trial. Even an individual who has been set free by a court—like Pastor Niemoeller—may be re-arrested and kept in confinement.

COORDINATION OF GERMAN CULTURE

Indicative of the totalitarian nature of the state is the comprehensive control it has assumed over the cultural life of the people. This supervision has been exercised primarily through the National

Chamber of Culture presided over by Joseph Goebbels, the fiery and radical Minister of Public Enlightenment and Propaganda. It includes seven different Chambers—for the press, radio, publication and writing, theatre, motion pictures, sculpture and painting, and music. All persons active in these fields must become members, non-Aryans being, of course, excluded.

The degree of state supervision in different fields varies to some extent. Control over the press is well-nigh absolute. While there is no advance censorship, each editor and publisher is held responsible for the contents of his paper. Moreover, the Ministry of Propaganda issues daily instructions to the press, directing what news is to be suppressed or emphasized, what interpretation is to be given to certain developments, and the like. Press campaigns against designated countries can be launched at a moment's notice. Co-ordination has gone so far that the circulation of many newspapers has fallen off and the confidence of the people in the integrity of the press has to some extent been undermined.

Control over the publication of books is not so strict, perhaps because only a relatively few people regularly read books. The works of certain authors, particularly of émigrés, have been placed on the Nazi "Index." The publisher is expected not to bring out books harmful to the state, the party or the nation, and if he is in doubt about a certain work he may find it expedient to submit it to the authorities for approval in advance of publication. Yet occasionally books which are indirectly critical of Nazi ideas or official measures reach the public. The same is true of periodicals in more technical fields such as economics.

The state officially frowns on certain tendencies in art and music. Jazz and "swing" music have incurred official disapproval as expressions of debased "negro" culture. Other modern forms of musical expression, such as atonal music, are also taboo. An exposition of "degenerate" music, opened in Düsseldorf during May 1938, included works by such composers as Stravinsky, Weill, Hindemith and Schönberg. A similar exhibition, which was first opened in Munich and later played host to thousands of visitors in all the major cities of the Reich, held up modernistic tendencies in painting and sculpture to popular ridicule and execration. It classed as "degenerate" not only works representative of modern schools of painting such as dadaism, surrealism, abstractionism, etc., but also paintings and sculptures which, owing to their subject matter, could

be construed as anti-militaristic, anti-German, pornographic, or conducive to class hatred. It included works by Nolde, Klee, Pechstein, Chagall, Schmitt Rottluff, Kokoschka, Grosz and many others.

The new art and literature fostered by the state must, above all, be truly expressive of the German *Volck* and reflect a deep love for the German homeland and German soil. It should be frankly irrational and romantic, eschewing "Jewish" intellectualism and rationalism. The prizes which the state has given for novels, poems and dramas have almost uniformly gone to works which portray the heroic struggle of the German people in times of stress, or of the National Socialist movement for the "resurrection" of Germany. The government hopes to develop an art and literature not confined simply to the upper classes or the intellectuals, but deeply rooted in the people. To this end it has tried to popularize art and to promote folk dancing and singing. The Labor Front has been particularly instrumental in facilitating attendance at concerts, theatrical performances and art exhibitions by broad masses of the people.

As yet the Third Reich can hardly boast of having developed a culture of its own. One may question whether any really creative art and literature can develop under the tutelage of a government particularly when it is intolerant of experimentation in modes of expression. Certainly the cultural work of the Third Reich, up to the present, has been primarily destructive. Only the general lines along which artistic efforts appear to be developing can be indicated. Literature reveals a trend away from realism toward romanticism, and an increasing preoccupation with historical subjects. Some of the newer writers, imbued with the fervor of National Socialism, have a vigorous style, but their subject matter is frequently banal and their treatment superficial. Stage and screen have seen few noteworthy pieces in recent years. Lack of freedom to deal with contemporary subjects has compelled the theatre to rely heavily on classical dramas and trivial comedies. The only thing of real interest has been the experimentation with open-air performances, particularly of great historical epics. Under the National Socialist régime German films, which had won growing recognition in the world, have greatly lost in popularity abroad. Earlier attempts to make the film a vehicle of Nazi propaganda met with a cool reception on the part of the German movie-going public who preferred to be entertained. Most German films now tend to be of the light and amusing variety, but even in this field the public frequently distresses

Dr. Goebbels by showing a marked preference for the products of Hollywood. In painting there has been a tendency to return to more naturalistic representation, while retaining the simplicity of the modern schools. The newer sculpture reveals a definite preference for classical styles. The field of music is rather barren; military marches and adaptations of folk music are the chief modes of expression.

The artistic accomplishments which arouse the greatest pride of the régime are in the domain of architecture. Hitler, whose youthful ambition to become an architect was thwarted by lack of formal education, has always taken a great personal interest in this field. He insists on having the more important building plans submitted for his personal approval. For the most part, the larger public buildings reveal the Führer's enthusiasm for classicism. Their monumental character and simplicity of line are in many cases pleasing to the eye, but often they are combined with a certain heaviness and lack of proportion which seem to express a spirit of overwhelming, brute force. In the smaller cities and the suburbs a commendable effort has been made to construct buildings according to the traditional architectural style prevailing in the locality.

EDUCATION UNDER THE NAZIS

At present the German people are living on the rich intellectual and cultural heritage of the past. Whether the Third Reich will in the end bring forth its own scholars and artists will depend at least partly on the country's educational system. In this field, too, the Nazis have brought about a fundamental transformation. The curriculum of schools and universities has been changed to provide for the teaching of Nazi ideas of history, race, politics and economics. What is taught is no longer determined by an objective criticism of scientific accuracy, but by the Nazi conception of what is good for nation and state. "Science for science's sake" is decried, partly as a natural reaction against the extremely academic research activity formerly carried on by many German scholars. History has become the interpretation of events and developments largely in terms of race and "leader-personalities." Historical personages particularly sacred to the Nazis cannot be attacked by scholars. Nor is it possible to make any objective appraisal of the origins of the World War, the antecedents of the Third Reich and similar subjects. In the

teaching of economics very little attention is paid to theory; greater stress is laid on the development of economic factors and the growing control which the state has inevitably had to assume over them.

The amount of time devoted to intellectual education has also suffered. Physical training and service in many National Socialist organizations take much of the students' and even of the instructors' time. The introduction of two years' military training and six months' labor service delayed entrance into vocations and universities to such an extent that secondary school education had to be curtailed by one year. The shortage of doctors and technicians of all kinds has induced the state to shorten the training required of physicians, engineers and chemists. Obviously, these measures could not leave German educational standards unaffected.

The quality of the teaching personnel has also deteriorated. Up to April 1936 about 1,145 professors, instructors and lecturers, constituting over 14 per cent of the teaching staff of universities and engineering colleges, were reported to have been dismissed on grounds of race or political unreliability, irrespective of their ability as scholars and teachers. Nor has the teaching field attracted a sufficient number of new and able recruits. The army and the party have opened up many new careers. With the rapid improvement in business and the ensuing labor shortage, opportunities for profitable jobs in office and factory multiplied. For many years, too, the Nazis strove steadily to undermine the prestige of "intellectual" occupations. The "doers," rather than the "thinkers," were glorified. Contempt and ridicule have been poured on intellectuals who, as a class, have been most critical of Nazi doctrines. This contempt has affected, above all, the high standing formerly enjoyed by the university professor. All these factors have produced an alarming shortage of elementary and secondary-school teachers and have seriously reduced the number of those desiring to teach in universities.

The sharp drop in the number of students attending universities and technical colleges can be traced to the same causes. Enrolment of Germans at these higher educational institutions fell from 94,770 in the winter semester 1933-1934 to 54,297 in 1937-1938. Although the decline in the birth rate during war years has been an additional factor of importance, it is significant that the proportion of secondary-school graduates who continue their study has dropped from 73.5 per cent in 1931 to 42.8 per cent in 1937. National Socialist authorities who first did their best to limit the number of students

in an effort to eliminate academic unemployment, are now alarmed over this phenomenon. Unless the tendency is reversed, all the liberal professions and industry, as well as German science and culture, may suffer irreparable losses.

THE CLASH BETWEEN CHURCH AND STATE

The Nazis may have been successful in directing culture and education along definite lines, but their efforts to "coordinate" the churches have met with much greater resistance. It was foreordained that National Socialism and organized religion would clash. Although the Nazis profess a "positive Christianity," their own ideology represents in essence a mystical faith or religion, rooted in "blood and soil" and brooking no rival in its claim on man's entire loyalty. The practical deification of race and fatherland by the Nazis was bound from the very start to antagonize all adherents of supernatural religion and believers in Christian brotherhood irrespective of race. Nazi doctrines and ethics were in sharp opposition to Christian humility and forgiveness as well as the Christian conception that all men are equal before God. The Nazi demand for a monopoly in educating German youth inevitably clashed, too, with confessional schools and youth organizations which did not confine themselves to strictly religious education.

The conflict would never have assumed such proportions had there been a real divorce between Church and State in Germany. While there was no official church in any part of the Reich, the Evangelical and Catholic churches had retained close connections with the state. The government collected church taxes from all professed Protestants and Catholics, regardless of whether or not they were active communicants. A number of state or provincial governments gave the church direct subsidies. In Prussia the state had often acted as a kind of patron of the Evangelical Church, and the latter had upheld a conservative, political order. Similar relationships existed in other German states. The Catholic Church exercised considerable political influence, particularly through the Centrist party.

It seemed at first as if the Nazis might have a rather easy task in winning over the Protestant Church. The Lutherans, who represented the dominant element in the German Evangelical Church, had always vigorously upheld the authority of the state. The Protes-

tant Church, particularly in Prussia, had also been a stronghold of conservative nationalism, and many of its pastors, including Martin Niemöller, originally looked with favor on the National Socialist movement. The Church realized, too, that it had lost its hold on a large part of the population, especially the younger elements. It had apparently been left stranded by the main stream of life. Its coldness and seeming indifference to personal and social welfare had alienated many people. A considerable number of pastors saw in National Socialism an opportunity for the Church to rejuvenate and strengthen itself by positively endorsing the doctrines of this youthful, dynamic movement and "riding in" on the tide of resurgent nationalism. Those who held such views soon became known as German Christians and received the active support of the government and the party. They believed in the possibility of fusing Christianity and National Socialism by accepting the racial principles of the Nazis and endorsing the "national community," or *Volksgemeinschaft*, as a type of divine revelation. The more extreme wing among them, which ultimately obtained the upper hand, was organized in the National Church Movement, which demanded a single national church comprising all Germans and did not conceal its belief that Christ had revealed himself through Hitler. The German Christians were completely successful in the church elections of September 1933 which had been called to pave the way for the establishment of a National Evangelical Church; and they imposed their choice of a former army chaplain, Ludwig Müller, as Reich Bishop.

Soon the arbitrary actions of the Reich Church government and the extreme views of the German Christians began to arouse alarm and opposition, particularly among the Reformed or Calvinist elements who were not so reluctant as the Lutherans to challenge the state. The dissident forces organized a temporary church government of their own which became known as the Confessional Church. In a ringing declaration of faith, framed by a synod held at Bremen in May 1934, they boldly reaffirmed their belief in the Holy Scriptures, rejected any other doctrine or word as divine revelation, and refused to accept the idea that the Church should alter its message according to prevailing philosophies or political convictions. The attempt of the Reich Bishop, assisted by the state, to coordinate the Church by force rallied the moderate regional Churches of Bavaria, Württemberg and Hannover to the support of the Confessionals.

While the government has allowed Müller to fade from the picture, it has continued its efforts to make the Church conform to Nazi ideology. Most of the regional Evangelical churches, including those in Prussia, Hessen-Nassau, Saxony, Schleswig-Holstein, Thuringia and Mecklenburg, have accepted the tenets of the German Christians. Others have continued to resist. The government has adopted every measure short of ruthless suppression to overcome the opposition of the Confessional Church. Its training colleges for ministers have been closed, its right to ordain pastors denied, its financial sources blocked, and many of its pastors imprisoned. In 1937 alone, 806 arrests were made. Among those arrested was one of the best-known Confessional leaders, Martin Niemöller. Although freed by a Reich court in February 1938, he was immediately seized again by the secret police when he refused to give a promise not to preach against the government. Despite the courageous resistance of many pastors, a majority have been reduced to passive or active acceptance of the state's authority.

THE NAZI ATTACK ON CATHOLICISM

The conflict with the Catholic Church has in many ways been more acute and far-reaching. It intimately affected the lives of a larger number of people because this Church had been much more successful in retaining the loyalty of its members. There were innumerable possibilities of friction with the state. Catholic youth organizations were large and well-entrenched, and Catholic schools the most important among state-supported confessional schools. From the beginning, the Catholic Church has been a determined opponent of Nazism. In the Weimar Republic the Centre or Catholic party, particularly under the Chancellorship of Heinrich Brüning, fought for a long time to stave off the triumph of National Socialism. To the Nazis the Church of Rome was suspect as an international organization whose seat of authority lay outside the Reich. They saw in the Catholic Church a rival authoritarian institution which sought to organize all activity on confessional rather than national lines. They clashed with the Church, too, on its traditional opposition to sterilization.

Apparently because the Papacy did not immediately realize the gravity of the approaching conflict, the relations between Church and State did not at once become critical. In fact, a Concordat was

concluded with the Reich in July 1933. Its terms, however, were so vague as to afford ample occasion for strife. Soon state pressure against confessional youth groups and Catholic schools became so strong as to provoke many protests from both the German hierarchy and Rome. In Germany public schools had been of three types: Protestant, Catholic, and non-confessional, with religious instruction in the latter entirely optional. The Nazi authorities now began to press parents, in informal school elections and assemblies, to withdraw their children from confessional schools. By 1937 the number of Catholic elementary public schools had already dropped 16 per cent. In a number of German states confessional schools have now completely disappeared.

Because of continued Catholic opposition to many National Socialist measures, the government embarked on an undisguised campaign to discredit the Church. In 1935 some sixty trials were staged to convict members of Catholic orders of currency smuggling. The state did produce much evidence tending to show that such members had unwittingly or consciously violated the foreign exchange laws in transferring funds for payment of debts and for mission purposes. In 1936 members of the Catholic clergy and many lay brothers were involved in a wave of "immorality" trials designed to prove to parents that children were unsafe in their hands. Much of the material used in these trials was genuine, but it related primarily to cases which the Church had already settled through its own disciplinary measures. Moreover, only an infinitesimal proportion of secular and regular priests had been implicated.

The struggle has since continued, although without similar dramatic highlights. The *Anschluss*, which brought into the Reich the almost wholly Catholic state of Austria, has exacerbated rather than relieved the strife. The campaign against confessional schools has been carried on with great vigor. Even Catholic private schools and teaching orders have felt the heavy, repressive hand of the state. During 1937 and 1938 numerous local Catholic youth associations were dissolved, primarily on the ground that they did not confine themselves to strictly religious work. The far-flung activities of the Catholic charity organization *Caritas* have been seriously impeded by the state which has openly furthered the objectives of the National Socialist Welfare League. The state has not yet expropriated the Church, but in Austria it has taken over administration of the large estates of several monasteries. At the moment of writing

there appears to be a temporary lull—a truce which may lead to a compromise agreement, or bring on a new and even more bitter struggle to the finish.

THE REGIMENTATION OF ECONOMIC LIFE

If culture and religion fell under control of the authoritarian state, it was hardly likely that the important field of economic enterprise would remain immune from increased state interference. Originally the National Socialists had planned to organize each economic group or profession into a “corporation” or “estate” equipped with considerable autonomy and powers of self-regulation. In practice, however, they shrank from the creation of such a corporative system which might in the end have limited the powers of the state itself. They have set up organizations for industry, agriculture and labor, but these have become primarily organs of the government rather than of the groups they were supposed to represent. Although the leaders and policies of these “estates” are uniformly determined by the government, they differ considerably as to their actual organization and functions.

THE LABOR FRONT AND ORGANIZATION OF BUSINESS

The first to be established was the Labor Front, which was immediately erected on the ruins of the old free labor unions. Its membership includes both employers and employees, “fraternally” organized to work together in the interests of the state. In theory membership is voluntary, but in practice it is nearly always essential to retaining or obtaining a job. At present the Labor Front counts well over 20,000,000 members, and its annual revenue must approximate 600,000,000 marks. The organization is built up on the basis of the “plant community,” which includes all those active in a single factory or business concern; all plant communities in one branch of trade or industry then constitute a national plant community. The actual administration is carried on by a hierarchy of offices and officials, of whom perhaps the most important is the representative of the Labor Front in each business enterprise. He is often the go-between in the relations of employer and employees. His task is to watch that capital and labor pull together in accordance with National Socialist principles.

The most important function of the Labor Front is to keep workers and employers "in line," to see that they work together and have a proper appreciation for each other's interests. While the employer has the right to fix wages within narrow limits defined by the state, the Labor Front exercises considerable influence over other working conditions. It provides machinery for the constant adjustment and conciliation of minor grievances, in particular of disputes arising from the interpretation of labor contracts. One of its departments, rather curiously called "Beauty of Work," has been instrumental in getting many employers to improve lighting and sanitary facilities, to provide rest rooms, canteens and warm meals, and facilities for sport and recreation. The standards of many concerns which were unprogressive in this respect have undoubtedly been raised. The Labor Front stages annual competitions among business enterprises, and the Führer awards prizes every May 1st to those adjudged the most efficient and pre-eminent in the establishment of a spirit of teamwork between labor and capital. Since the function of the Labor Front is also to develop "willing and able" workers, it has arranged similar competitions to test the technical skill, all-round abilities and *Weltanschauung* of craftsmen, laborers and apprentices.

The most spectacular activity of the Labor Front has been its large-scale provision for the leisure and recreation of the masses. Its division, "Strength through Joy," has enabled millions of Germans to attend theatres, concerts and lectures, and to participate in sport courses, outings and vacation trips at very low costs. It has built a number of recreation homes and is constructing a huge bathing resort on the Baltic Sea to provide accommodation for thousands of workers and employees in the course of the season. The organization has even chartered steamships for short cruises to Scandinavia, the Canary Islands and the Mediterranean, and has had two rather luxurious ocean liners built for this purpose. Not far from Hannover it is constructing a huge plant designed to turn out a light, economical, popular-priced car which will be within the reach of many now unable to afford automobiles.

An Organization for Trade and Industry has been established to include, on a compulsory basis, all industrial, commercial and craft enterprises. It is organized vertically in functional groups and sub-groups, each representing a branch of trade or industry; horizontally or regionally, the various branches are linked together in Chambers

of Commerce and Industry. The crafts have a separate organization consisting of guilds and Chambers of Handicrafts. A national Economic Chamber, subordinate to the Minister of Economics, caps the whole structure.

The general objective of this organization is to convey the wishes and opinions of business to the authorities, and to transmit the government's orders and recommendations to business. In practice, the latter task is the most important. In no sense can it be said to be a legislative, or policy-making organ. It assists in the collection and administration of export subsidies, in the application of foreign exchange regulations, and helps to mobilize industry for the purpose of carrying out the Four-Year Plan for greater self-sufficiency. At the direction of the government it is bringing about the introduction of a uniform cost-accounting system to permit better control of costs and improvements in methods of production. The organization is forbidden to regulate markets, but since 1936 it has had limited powers of supervision over cartels and similar price or production agreements.

THE AGRICULTURAL ESTATE AND ITS MARKETING ORGANIZATION

The Agricultural Estate, or *Reichsnährstand*, has a different character. It includes all those engaged in agriculture, forestry and fishing and is directed by a Reich Farm Leader who is at the same time Minister of Agriculture. Regionally it is built up on the basis of local, district, county and provincial farm associations. Unlike the organization for industry, the *Reichsnährstand* supervises and directs marketing through the medium of marketing associations, to which all producers, distributors and processors of a particular product or group of commodities must belong.

The comprehensive marketing system set up under the control of the Agricultural Estate constitutes one of the most interesting experiments in the Third Reich. It was established originally to bring about an improvement in farm prices and ameliorate the lot of the peasant, but as a succession of mediocre harvests and limitations on imports brought about a growing shortage of foods, the distribution of the available supply with the least possible increase in price to the consumer has become its primary task. At first its work was somewhat haphazard. Price-fixing was necessarily rather experimental, and often resulted in a glut at one center of distribution and a short-

age at another. Bureaucratic red-tape also impeded the machinery. Since half-measures were generally found to be unworkable, marketing regulations have been made increasingly comprehensive and airtight. Almost all farm products are affected, although to varying degrees. In general, farmers must deliver at fixed prices to specified markets, processors or organizations. Quotas are determined for distributors and processors, and their price margins fixed or narrowly controlled. Everywhere the tendency has been to cut down the profit margins of dealers, millers, butchers and bakers. Production is controlled indirectly by variations in prices. On the whole, the observer has the impression that the system works rather efficiently, although constant adjustments are necessary. Undoubtedly its operation is facilitated by the fact that Germany produces no surpluses for foreign markets. Regulation of the domestic market is implemented by the complete control over agricultural imports exercised by four governmental offices which can engage directly in foreign trade and buy or sell in the domestic market.

DEVELOPMENT OF A CONTROLLED ECONOMY

In recent years Germany has witnessed the gradual establishment of a government-planned and controlled economy not designed to favor any particular class or economic interest, but to enlist industry and agriculture, capital and labor for the purpose of increasing the political power of the state.) The regimented economic system prevailing today is not the product of deliberate intention, but rather the result of improvisation to meet repeated exigencies. When the National Socialists came to power they had little idea of economic planning. Their platform was a series of slogans, not a carefully thought-out program. Their anti-capitalism consisted of a vague detestation of *laissez-faire* economics, a fear of large corporations and a hatred of "finance capitalism" which took the form of demands to break the "servitude to interest." Their "socialism" amounted primarily to a requirement that individual and group economic interests should be subordinated to those of the state.] As a matter of fact, the first economic measures of the régime proved to be entirely orthodox, motivated as they were by a desire to stimulate private enterprise. The automobile industry was aided by abolition of the tax on new cars. Replacement of machinery and equipment was stimulated by tax remission, and subsidies were given to

encourage repairs to houses and barns. These measures were supplemented by relatively modest appropriations for public works. Although steps were taken to send labor back to the farms and to give employment to older workers at the expense of younger men and women employees, this type of regimentation was moderate compared to what came later.

It was only after the government actively embarked on a rearmament program late in 1934 and undertook more and more projects, that measures of control became increasingly necessary. The task of equipping Germany with a complete air, naval and land armament required enormous amounts of money, men and material, particularly once the tempo of the arms race became accelerated. Huge demands were also made by the Four-Year-Plan, launched in 1936 to increase the output of domestic raw materials. New resources had to be exploited and large, expensive plants erected to make oil from coal and lignite, rubber from coal and limestone, and synthetic fibres from wood and straw. At the same time the government continued to push the construction of a comprehensive network of express highways. It also let contracts for hundreds of public buildings and launched vast projects for the rebuilding of Berlin and other major cities of the Reich. In addition, time, money and material had to be found to relieve in some measure the serious housing shortage, and at least to maintain the output of goods for peace-time consumption. Soon it developed that the available supply of goods, capital and labor was not equal to all these tasks. One measure after another had to be taken to relieve the tensions resulting from a restricted supply confronted with a growing demand. Labor, money and materials had literally to be controlled, rationed, and apportioned among various projects and industries according to their relative importance in the government's opinion. In this allotment or planning, production for civilian use generally took last place.

PLANNING FOREIGN TRADE

The most extensive "planning" developed in foreign trade. The Reich had to contend with constant difficulties in importing raw materials for rearmament and other purposes, and foodstuffs to cover deficits in German farm production. While import requirements steadily mounted as German industries increased their output, exports lagged behind for many reasons. The Reich's original

failure to devalue the mark, foreign restrictions against manufactured goods, increasing preoccupation of German industry with the expanding home market and the anti-German boycott—these and other factors militated against sales abroad. Most of the country's gold and foreign exchange holdings were thrown into the breach. Beginning in 1933 a series of moratoria limited payments on German foreign debts so far as it was politically and economically feasible. In part these blocked debt claims, which depreciated in value, were used to subsidize German exports. Direct export subsidies were also adopted in 1935. Above all, foreign trade transactions were placed under complete governmental control. To this end the restrictions on foreign exchange, which had been originally instituted in 1931 by the pre-Nazi government of Heinrich Brüning, were progressively tightened and extended. In 1934 a large number of import offices were set up to control the volume, composition and source of all imports. In practice, this amounted to a regulatory monopoly. Because their consent was required for every import transaction, these offices mobilized and controlled the purchasing power of the entire nation and could use it as a bargaining weapon to extract trade concessions from other countries. Their methods proved particularly successful with the weaker nations of south-eastern Europe, Latin America and other nations dependent on raw material exports. Through this centralized control of trade Germany has somewhat precariously met its import needs and, in recent years, has even been able to accumulate some supplies against war contingencies. But it has disrupted normal channels of trade, created much friction abroad, and introduced a great deal of bureaucratic regulation into foreign commerce.

The import offices were also utilized as agencies of domestic planning. They assumed control over the distribution of raw materials, both domestic and foreign, determined their uses and prices, and apportioned them among industries in accordance with a system of priorities in which manufacture for armament and export received precedence. No one in Germany regarded this rationing as desirable, but almost all thought it necessary in the emergency. Nor was it adequate to satisfy all requirements. Many industries have been unable to make essential replacements in plant and equipment owing to the shortage of raw materials. The rolling-stock of German railways has seriously deteriorated, while consumer goods industries have often been handicapped for want of raw materials.

The enormous sums of money required for all the tasks on which the Nazi régime embarked also necessitated measures of control. In the first six years of National Socialism local and national governments spent over 60 billion marks more than the rate of expenditure in 1932-1933. Since capital was scarce in Germany after the financial crisis of 1931, the Third Reich for many years paid part of its expenses in short-term bills drawn by private contractors on the government or its institutions. These bills could be renewed many times and were rediscountable by the Reichsbank. Later on, as German business started booming, capital again became available. To reserve this accumulation of capital for its own medium- and long-term loans, the government denied all but a few private concerns access to the capital market. Business was compelled to finance its needs out of its own resources, and the government helped this process along by limiting dividend payments to 6 per cent of nominal capital. Fortunately for the Nazis, German industry—which had drastically cut costs during the depression—was in good condition. With a sharp increase in turnover, profits increased in such measure that it was able to do much self-financing, at the same time reducing its debts and acquiring government obligations into the bargain.

Although an almost phenomenal increase in the tax yield and savings in unemployment relief expenditure have placed large additional funds at the disposal of the Reich, the problem of financing rapidly growing expenditures has increased rather than diminished. In the spring of 1938 the government abandoned "bill" financing because of its inflationary potentialities. In the course of the next year, however, the acquisition of new territory and the feverish armament pace imposed a terrible financial strain and necessitated the flotation of one loan after another. Beginning May 1, 1939 the Treasury was compelled to begin paying government contractors in tax-anticipation warrants, which may be used up to 40 per cent as ordinary currency in discharging obligations to other concerns. While the size of the public debt—some 60 billion marks exclusive of Austria and Bohemia-Moravia—is not yet alarming, the rapidity of the rise and the increasing resort to inflationary types of financing have caused concern even in the Reich.

Germany would long ago have fallen prey to another inflation

if it had not been for the introduction of rigid price control and the tightening of foreign exchange restrictions. The latter effectively checked a flight of capital, while the former prevented the increase in money circulation and purchasing power from causing a rapid rise in the prices of the restricted volume of goods and services available for sale. True, there has been both an open and a disguised increase in prices, but it has been kept within bounds by the government. Since November 1936 no one may raise prices without the consent of the Price Commissioner. Prices are no longer determined by the interplay of supply and demand, but by government fiat.

MOBILIZING LABOR

Labor is another field in which official intervention has become ever more marked. Not enough labor could be found for all government projects. Unemployment has given way to a shortage of workers, technicians and higher-ranking employees, which is most serious in agriculture and in industries working directly or indirectly for national defense. Today the number of employed well exceeds the total engaged in 1929, even after discounting those absorbed by the army and labor service. The competition for labor had become so intensive by June 1938 that the government authorized its officials to check the ensuing rise in wages wherever necessary. At the same time a decree was promulgated permitting the authorities simply to draft 400,000 men for work on the western fortifications. In December this decree was replaced by an even more sweeping measure, authorizing the government to mobilize men for work of national importance and to require workers and employees to stay on their jobs. Today it is impossible for those engaged in agriculture and many industries to leave their positions without the consent of the state labor office. Many small shops and craft enterprises have been forcibly liquidated to release additional workers for industry. Beginning in 1938 young women who want to obtain a job must first serve a year on a farm or in a household. Thus freedom of movement and occupation has been restricted in many directions.

Outside observers have often predicted the ultimate collapse of this Nazi economic régime. Prophecy in this realm is exceedingly dangerous. Judgments are often made on the premises of the old capitalist system of private enterprise, which in this case are no longer applicable. We are faced with a new phenomenon for which

past experience offers no adequate guide. True, the German economy is laboring under constant strain, but this strain is inherent not so much in the system of control, as in the tremendous demands which the government makes on the resources of the country. The state apparently has the reins firmly in its hands. If the strain becomes too great, it can relax the pace and curtail its own activity. The government can also impose still greater sacrifices on the population. ●f course, indefinite continuation of the present international tension or the outbreak of war may in the end produce a breakdown. Even in peace time, reserves of labor, capital, industrial equipment and foreign exchange have been largely exhausted. The German economy may be compared to a taut rubber band; further stretching, as in war, may easily break it.

ECONOMICS FOR WHOM?

For the German people as a whole this economic system has entailed both sacrifices and compensations. The domestic boom and the re-employment of millions of people have undoubtedly produced a considerable increase in national income. But a large part of this has been tapped off in the form of taxes, contributions and loans—in 1938 as much as 47.1 per cent. Nor have the German people been able to spend their money as they liked. Restrictions on imports and the absorption of a large part of the economy in non-productive enterprises have limited the volume of goods available for consumption. Cafés, theatres, restaurants and resorts are crowded—an indication of prosperity. On the other hand, people cannot buy all the eggs, butter, lard and coffee they want, nor the variety and quantity of fruit and vegetables they desire. Such manufactured goods as sheets, bath towels and other products are often not to be had. Some of these shortages are primarily attributable to increased demand, others to reduced supply. They are not catastrophic, but they do exist and occasion discontent.

THE LOT ●F THE WORKER AND FARMER

The German worker views National Socialism with mixed feelings. He is no longer laboring under the constant fear of losing his job. Longer hours, and, in some cases, higher hourly pay have raised his weekly wage. Very often his wife and children have also found work and now add to the family income. If he has three or more

minor children, the state pays him a subsidy. He may get a longer vacation and take a trip to the seashore or the mountains which he formerly could not afford. His employer and foreman must treat him with respect; otherwise they may be punished by a so-called "court of social honor." On the other hand, the worker has lost his right to strike and bargain collectively. He is no longer represented by leaders of his own choice. The Labor Front may do things for him, but frequently he resents its patronizing attitude and is inclined to consider its officials as "not his own kind." The employees' council, or *Vertrauensrat*, which exists in every enterprise with ten or more workers, was originally picked by the Labor Front steward and the plant leader. It was simply "confirmed" by the workers in 1935 and has never been re-elected. Besides, the council has but limited consultative powers. The employee, who at first welcomed a longer working week, is now apt to tire of the over-long hours demanded of him in many industries. If he is a mason or carpenter, he may suddenly be drafted for work on fortifications or other state projects; and if he was formerly a farm laborer but is now engaged in industry, he may be sent back to the land. The government may also step in to prevent him from obtaining higher wages or changing his job.

The trades people, artisans and small business men have not fared as well as they had expected. Many of them have lost their independence by being virtually conscripted for industry. Only those who remain have benefited by a greater turnover. The profits of shopkeepers, particularly in the handling of foodstuffs, have been small. Regulation of retail trade has been especially severe. The owners of small business enterprises often do not obtain a proportionate share of government orders and are in many cases ill-equipped to cope with the maze of official regulations. Yet members of the lower middle class have obtained many lucrative jobs in the party and state bureaucracy. The régime has cleverly catered to their desire for self-importance. They constitute the bulk of the SS and SA, have their uniforms, their minor posts and opportunities to exercise a modicum of authority.

The German farmer enjoys a fairly stable income under National Socialism. His debt burden has been somewhat reduced and the Hereditary Homestead Law of 1933, which applies to about 700,000 medium-sized German farms, protects him against foreclosure and loss of his land. Yet the peasant, too, has his troubles. He is con-

stantly urged to produce more, but an acute shortage of labor often prevents him from obtaining the necessary help, and his inability to mortgage the land makes it difficult to procure credit for improvements and purchase of machinery. The farmer often grumbles that he and his family are expected to work harder and harder without adequate compensation. If he neglects his task and proves inefficient, the government may even appoint a trustee to supervise his work or take over the management entirely. The peasant may not mind that the Hereditary Homestead Law requires him to leave his farm to a single heir, but he wonders how he can provide for his other children particularly when he can raise no money, or when so much of the arable land is frozen in "hereditary homesteads." The Nazis once promised to break up big estates into small farms for agricultural laborers and farmers' sons, but in practice they have decided to retain large landholdings, if only as an important and indispensable grain reservoir for the nation. Frequently the peasants' sons have no alternative but to become simple laborers or wander off into trade or industry, thus aggravating the flight from the land.

THE BUSINESS MAN IN THE THIRD REICH

As for the wealthier classes, their experience with the system is also mixed. There has been no marked shift in the distribution of wealth. Private property is maintained in principle, although the government has no scruples about directing its use for specified purposes. Those people who live on income from their investments have been hit by the limitation on dividend payments, restrictions on rents, and semi-compulsory bond conversions. With the government providing more than enough work, business men and corporations no longer have such great risks, and their profits have been ample in many cases. On the other hand, they have to make heavy disbursements for taxes and social welfare. They work under a growing mass of restrictions and regulations of all sorts; their prices and raw material supplies are strictly controlled, their books and production costs closely scrutinized, and their financial reserves often mobilized for investment in the so-called Four-Year-Plan industries.

The independent entrepreneur whom the Nazis profess to admire has little or no practical influence on the government. He may won-

der about the huge expenditures of the state and entertain vague fears regarding the future. Often he has condemned government measures as utterly impossible or disastrous, only to see them work out all right in practice. The older type of business executive, addicted to private initiative, worries about the ultimate trend of government control and enterprise. True, the Nazis at first "re-privatized" many banks and concerns in which the government had acquired a controlling interest during the depression, but in the last few years they have again taken a direct hand in industry. The huge automobile plant now being built for the Labor Front threatens to drive private industry out of the small-car field entirely. The Hermann-Goering-Werke, established by the government to make iron and steel from domestic ore, has taken over the big Alpine-Montan concern in Austria and rapidly extended its holdings to other metallurgical and machinery plants as well as transport enterprises. Today it is one of the largest industrial combines in Germany.

The younger corporation executives are not so alarmed. In their opinion the days of unfettered private enterprise are beyond recall, and it matters little to them whether they direct the destinies of a private or a state corporation. Some business men are reassured, too, by the frequent assertions of government officials that economic regimentation is the product of an emergency. They hope that the country's economic "living space" may one day be large enough, or that international trade will revive in sufficient measure, to permit the gradual relaxation of all troublesome regulations.

For the present, at least, the Nazi system is not primarily interested in raising the material welfare of the German people. Having put every one to work, the government regards as its primary task the mobilization of the country's resources to enhance the power of the state and strengthen its position in the world. To this broad aim each class interest and social objective has been subordinated. For the Nazis power is in itself desirable. They ridicule the idea that society should have only material or even cultural aims. At the same time, they do consider power as a means of obtaining a greater share of the world's natural wealth for Germany. In their opinion only political and economic expansion can ultimately bring about an improvement in the material lot of the German people.

CARVING OUT THE GREATER GERMAN EMPIRE

To emancipate Germany from the "dictate" of Versailles and to conquer for it a larger place in the sun have always been Hitler's burning ambitions. These two ambitions are the motif of *Mein Kampf* and most of his speeches. According to the Führer, only a strong, united country, willing and prepared to shoulder arms, could achieve these objectives. Historical experience demonstrated to him that territory would never be regained "through solemn appeals to the dear Lord or through pious hopes in a League of Nations, but only by force of arms."

But the Nazi territorial program did not provide simply for rectification of past injustices. The restoration of pre-war frontiers was not enough. Hitler, writing in *Mein Kampf*, frankly declared: "The demand for the re-establishment of our frontiers of 1914 is political nonsense . . . and in its consequences would seem even a political crime. The frontiers of 1914 were far from logical. For they were in reality not at all complete in comprising all the people of German nationality, nor reasonable with regard to their military-geographical significance."

The first objective was to extend the country's boundaries to include all Germans within a common Reich. "One People, one Reich, one Leader" was soon to be the slogan. "Only when the boundaries of the Reich include even the last German," Hitler wrote, "only when it is no longer possible to insure him of daily bread inside them, does there arise out of the distress of the nation, the moral right to acquire foreign soil and territory." Then the task of the government must be to secure adequate *Lebensraum*—space within which to live. The nation-state must establish "between the number and growth of the population on the one hand, and the size and value of the soil and territory on the other hand, a viable, natural relationship." No state can be truly free unless it has a *Lebensraum* "which assures the nourishment of a people from its own soil and territory." And in this quest for new land Germany was to turn eastward, to "think first of Russia and her subject border states." In the beginning Hitler firmly believed in confining territorial expansion to the continent. In his opinion the greatest mistake of Imperial Germany had been to waste vital energy on colonial and commercial expansion which was bound in the end to arouse the fatal atagonism of Britain. Only later did he become an

active protagonist of trade and colonies—apparently because the country's raw material difficulties made it necessary to keep open every possible avenue of expansion.

HITLER'S TACTICAL GENIUS

At first with hesitation, then with growing confidence, Hitler proceeded to carry out his program. Rearmament paved the way for assertion of territorial claims. One triumph followed another. Never in history have such profound changes been wrought without actual clash of arms. Hitler's consummate tactics accounted largely for the absence of effective resistance. He turned the technique of *fait accompli* into a fine art. While he did not want war, he was willing to assume risks. His technique has been not to make a frontal attack on major powers, but simply to confront them with the choice of accepting or undoing by force what he had already in effect accomplished. While Hitler probably realized that war would be fatal for his program, he coolly appraised his opponents and saw that they lacked the necessary "fighting spirit" to resist. He himself knew how vital this spirit was to the success of his ventures, and took care to inculcate it in the German people.

Division of his opponents has played a major rôle in Hitler's strategy. The Führer proclaimed himself the savior who would rescue the world from the "terror of Bolshevism." He became the sponsor of the anti-Comintern pact which was first concluded with Japan on November 25, 1936 and extended to Italy on November 6, 1937. Subsequently Manchukuo, Hungary and Spain joined this new "Holy Alliance." Under the guise of anti-communism, Germany and Italy actively intervened in the Spanish civil war and helped a pro-Fascist government to power. But the effect of Hitler's anti-Communist stand went beyond those countries which formally adhered to the anti-Comintern agreement. It extended to Yugoslavia, Rumania and Poland, all of which feared "bolshevist Russia"; and it undermined the opposition to Germany among influential people in Britain and France.

Until recently Hitler was adept at thwarting the formation of a united front against him. He eschewed conferences and multi-lateral pacts by which he could be outmaneuvered and outvoted. He insisted always on dealing with each country separately, realizing that only in this way could Germany's power be brought to bear

most effectively. The Führer was generous enough with assurances to those nations with which he was not immediately concerned. A ten-year pact of friendship and non-aggression, concluded in January 1934, neutralized Germany's traditional enemy, Poland, for a number of years. To obtain a free hand for expansion toward the east he repeatedly assured the French—once the Saar was returned to the Reich—that Germany had no more territorial claims against it and was ready to bury the hatchet for all times. Britain he sought to win with the Anglo-German naval agreement of June 18, 1935 which limited Germany's naval strength to 35 per cent of the British. To weaken possible resistance in eastern Europe he held out the bait of ultimate territorial gains to Poland, Hungary and Bulgaria. The Scandinavian and Low Countries, as well as Switzerland, were tempted with offers of non-aggression pacts. Whenever bilateral pacts cease to serve his purpose, however, Hitler has no scruples in denouncing them—as he demonstrated on April 28, 1939, when the agreements with Britain and Poland were abruptly terminated.

An alliance with Italy was another keystone in the Nazi system. In *Mein Kampf* Hitler had set forth the need for an alliance with both Britain and Italy. Only France was considered an "irreconcilable, mortal enemy." In practice these ideas have undergone some changes. The words about France, written in the days following the Ruhr invasion and French efforts to set up a separate Rhineland republic, seem no longer applicable. Yet Hitler's benevolent attitude toward France is likely to last only as long as that country does not effectively interfere with German plans for expansion. As for Britain, its government was for a long time susceptible to Hitler's blandishments, but in the end it could not accept friendship or alliance with a country whose political system and philosophy were the antithesis of the British, and whose policies appeared ultimately to threaten the British Empire. Only Italy has proved a useful ally, particularly after it became reconciled to a German-Austrian union which it was once determined to resist. The two countries, linked together by a common interest in altering the *status quo*, signed a formal alliance on May 22, 1939. Each has given the other invaluable support in campaigns for a greater *Lebensraum*, even though Germany has obtained the lion's share of the spoils. The operation of the Rome-Berlin axis has not been without friction, but it is strengthened by a purely personal community of interest be-

tween Il Duce and the Führer. Each dictator realizes that his chance of survival is small once the fall of the other has been encompassed.

FROM "GLEICHBERECHTIGUNG" TO "LEBENSRAUM"

Persuasive propaganda has been an important instrument in accomplishing German aims. For each successive phase of his foreign program Hitler coined or utilized an appealing slogan. The first was "equality of rights," or *Gleichberechtigung*. This slogan justified the emancipation of Germany from all burdensome, unilateral restrictions which seemed to place the country in an inferior position. It was urged in support of breaking the limitations on German armament imposed by the Versailles Treaty, after other countries had repeatedly refused to accept similar restrictions. It provided a cogent excuse for remilitarizing and fortifying the Rhineland as long as France did not demilitarize its own frontier. "Equality of rights" was also urged in support of Germany's actions in repudiating international control over German rivers on November 15, 1936 and in removing, on January 31, 1937, the last restrictions on the Reichsbank and German Railways remaining from the days of reparation payments. If all these measures passed without effective challenge abroad, it was certainly in part because other nations saw the unreasonableness of forcing Germany to retain restrictions on its sovereignty which they were themselves unwilling to accept.

The slogan for the first phase of territorial expansion was "national self-determination." Thus Hitler cleverly appropriated a Wilsonian doctrine and utilized it to justify the annexation of all German populations contiguous to the borders of the Reich. Although the Führer arrogated to himself the sole right of determining whether or not Germans outside the Reich preferred to come under Nazi rule, the countries of Europe were loathe to fight to prevent the union of all Germans within the same borders. This reluctance was all the more marked because the Nazis assiduously propagated the idea that the Third Reich, based on the principle of *Volk*, was interested only in ruling Germans and that it fully respected the right of other peoples to national individuality and independence. Today the frontiers of the Reich include almost the entire area solidly settled by the German people. Only Danzig remains outside. Other areas partly German in character—the Belgian districts of Eupen and Malmédy, French Alsace, Polish Upper Silesia and a

part of Danish Jutland—may some day be claimed by Germany but, in these cases, “self-determination” would be invoked with less justification.

THE DEMAND FOR MORE “LIVING SPACE”

Now that Bohemia and Moravia have been incorporated with the Reich, the need for more *Lebensraum* is being increasingly urged in support of further German expansion. Up to the present Germany's territorial acquisitions have not relieved the pressure of population on the available resources of the country. Austria and Bohemia-Moravia, predominantly industrial and relatively poor in natural wealth, have added to Germany's difficulties in obtaining an adequate supply of foodstuffs and raw materials. The acquisition of new territory is used to justify claims to more territory. “More land or more trade” is the synthesis of recent Nazi demands; and it is by no means evident that these demands are mutually exclusive.

What are the implications of Germany's insistence on additional *Lebensraum*? Clearly the Reich wants to have eastern and southeastern Europe recognized as its exclusive sphere of interest. Actual territorial expansion in this area may depend on expediency, the resistance Germany meets from the Soviet Union and western Europe, and the willingness of its eastern neighbors to yield to its economic and political influence. Economic domination falls definitely within the purview of this program. Already Greater Germany has captured half of the foreign trade of southeastern Europe. It intends to establish a regional economy or *Grossraumwirtschaft* from which it will be able to draw essential raw materials and food both in peace and in war. Agricultural and mineral resources will be developed intensively under German leadership, presumably along the lines laid down in the German-Rumanian Treaty of March 23, 1939. In the absence of foreign exchange German capital investment in such enterprises will take the form of contributions of machinery and equipment, and cash participation financed from the proceeds of additional exports to this area. This will be the new type of state-planned and state-controlled imperialism.

But the Germans realize that their *Grossraumwirtschaft* will still be far from making the Reich self-sufficient. Overseas expansion is an integral part of the cry for more *Lebensraum*. “Colonies and

trade" was the main thesis of Hitler's speech on January 30, 1939. When the Führer calls for the restoration of Germany's former colonies, who knows whether this will not be simply the initial demand? With ever greater frequency the Nazis advance the proposition that 75,000,000 Germans are entitled to a share of the world's imperial and colonial domains commensurate with their numbers. Must they resign themselves, they ask, to the fact that 42,000,000 people in France and 47,000,000 in Britain have together pre-empted such a large proportion of the earth's surface? If this question can be interpreted as a definite intention to challenge the *status quo*, then a direct clash with Britain and France cannot be long deferred.

MEETING THE NAZI CHALLENGE

The ultimate implications of German expansion have aroused grave anxiety in many countries. Hitler appears to have destroyed the very principles of law and order on which the peaceful conduct of international relations should rest. He has repeatedly violated promises and treaties. The German Führer has made himself the sole judge of the extent and validity of the Reich's international obligations. His guiding precept has been: "What is useful to the German nation is also lawful and just." The Nazis may urge with considerable justification that other powers have acted on similar principles in the past. The post-war "order" was based not so much on any conception of law or justice as on overwhelming force. The use of force was not so obvious merely because it served less openly and blatantly to preserve the *status quo* in favor of a specific combination of powers. Yet these considerations do not affect the formulation of future policy. Can the rest of the world afford to tolerate indefinitely the methods which Hitler has employed in the last few years? Can we live long in the state of tension and ferment produced by the continued threat of force? Will not the armament race increasingly absorb the energies of all countries and ultimately spell their economic and political ruin?

These questions would never arise if there were definite and reasonable limits to the Nazi program of expansion. No one knows where Hitler will stop. The German government has always refused to define its aims. It has insisted simply on the principle of dynamic change. True, there may be limits independent of the will and objectives of those in power in Germany. The Third Reich may be

weakened, rather than strengthened, by further expansion. It may have its hands full controlling the countries of eastern and south-eastern Europe, all of which are intensely nationalistic and intolerant of foreign domination. Germany and Italy could hardly stand the economic and financial strain of a prolonged major war, and this consideration may minimize the possibility of a direct clash with Britain and France.

In the past, revolutionary movements like the French and Communist Revolutions have tended in time to lose their original dynamic and aggressive character. At first their proponents are moved by a spirit of almost religious fanaticism. They carry the gospel to other lands, by the sword if necessary. Later the missionary fervor ebbs and the revolution "settles down." Even if this should not be the inherent fate of Nazism, which is so definitely imperialist in character, there is a possibility that popular sentiment in Germany may retard, and ultimately bring to a halt, its expansionist program. Undoubtedly a large proportion of the German people willingly made sacrifices and preferred "cannon to butter" so long as it was necessary to re-establish their country as a first class power and realize for all Germans the right of self-determination. Since the country's foreign policy has become more frankly imperialist, popular enthusiasm over new conquests has progressively diminished. During the Czech crisis in September 1938, widespread fear of war was far stronger than joy at the prospect of seeing over three million Germans come "home" to the Reich. Now that the obvious German grievances have been remedied, there is an increasing tendency to question the need for further sacrifices. Many Germans are tired of being called to do battle for one cause or another. Their nervous and physical resources are overstrained. They desire to be left in peaceful enjoyment of their homes and cafés. They are fundamentally bourgeois in outlook; their craving is for a return to "normalcy."

All these considerations have not been sufficiently reassuring to the nations which lie in the path of possible expansion. The threat of Nazi domination has produced a coalition to checkmate the Rome-Berlin axis. The United States is bolstering Anglo-French resistance with promises of economic aid in time of war. Such a combination may temporarily restrain Rome and Berlin, but it raises many baffling problems for the future. The risks of this policy must be frankly faced. If Germany and Italy should underestimate the strength of the opposing coalition or discount the possibility of its

intervention in specific questions, war might easily be the result. And after another holocaust the atmosphere would hardly be conducive to the framing of an equitable and lasting peace. The prevention of war can be the only real justification of any attempt to check Nazi Germany. Even the achievement of this objective imposes on the successful powers new and heavy responsibilities. Peace cannot be permanently maintained by armed coalition. The Germans and Italians complain that fortuitous historical developments have left the British and French with a share of the world's territory and wealth far out of proportion to their numbers. Can some redistribution be ultimately avoided? The non-Fascist world may band together to stop further expansion by force. It may even dispute the justice of Germany's natural claim to an economic sphere of influence in central and southeastern Europe so long as control over the resources of this region will merely enhance the Reich's power for aggression. But in the end the anti-Fascist coalition cannot evade the necessity of a general peace settlement. It must elaborate methods of peaceful adjustment and fruitful economic intercourse as a substitute for that resort to force which throughout history has been the most, if not the only, effective instrument of change.

The issues with which Nazi Germany confronts the liberal world are extraordinarily complicated by ideological factors. It is possible to overemphasize this aspect of the question. The expansionist urge of Germany or Italy is not primarily the product of fascism. It may be said with greater justification that fascism has developed as the most efficient and ruthless method of achieving old imperial ambitions. The conflict precipitated by the drive of the Rome-Berlin axis for more *Lebensraum* is thus in part a continuation of the struggle for power which was but briefly interrupted after the last war. Yet it would be equally unrealistic to ignore the clash of ideologies. With every success of Italy and Germany we witness also the advance of a system completely antagonistic to the ideas and institutions of the Western world. Democracy must defend itself if it is to survive, but what are the best means of defense? In some quarters the overthrow of German National Socialism or Italian Fascism is regarded as the only effective way of removing the threat to democracy. This thesis may be sound, but can the Fascist systems really be overthrown from without unless the rest of the world undertakes to impose and maintain other régimes in power in Germany and Italy? Such extreme measures may not be necessary. Despite

propaganda from both domestic and foreign sources, fascism has made no notable progress in truly liberal and democratic countries. The seeds of such propaganda will germinate only in soil fertilized by social and political discontent. The real task of liberals is to make democracy a matter of vital concern to every one of its citizens. There must be a constant effort to bridge the gulf between profession and practice of liberal democracy. The achievement of social and economic security is important, but not sufficient. There must be, in addition, a renewed spiritual devotion to the ideals of human liberty and dignity.